

**Signing of Memorandum of Understanding
on 22nd January,2020**

Between

National Highway Authority of India (NHAI)
Ministry of Road Transport & Highways(MoRT&H),
Government of India.

And


Irrigation and Public Health Department (I&PH)
Government of Himachal Pradesh

Sub: Preparation of Cost Estimates and Execution of works for Shifting of Existing I&PH utilities for National Highway development works by National Highway Authority of India (NHAI) in state of Himachal Pradesh.

National Highway Authority of India (NHAI), Govt. of India is executing various Highway development works in state of Himachal Pradesh for up gradation of existing National Highways. In these National Highways Development works, there is a need of shifting of existing I&PH utilities coming in proposed alignment of widening/up gradation Projects of National Highways. Presently, representatives of NHAI approach various field offices of I&PH Department for providing Cost Estimates for shifting of existing I&PH utilities. Due to contradiction in circulars/guidelines of NHAI & I&PH department, there is long delay observed in finalization of Cost Estimates which leads to delay in execution of project at utility shifting locations. This Memorandum of Understanding is aimed to resolve such contradiction & setup common procedure for preparation of estimate for shifting of I&PH utilities coming in alignment of National Highway projects executed by NHAI in the state of Himachal Pradesh. The work of shifting of existing I&PH utilities on self execution basis will be done under supervision of I&PH department by contractor/concessionaire of NHAI who is executing the work of widening/development/four-laning of concerned National Highway stretch.

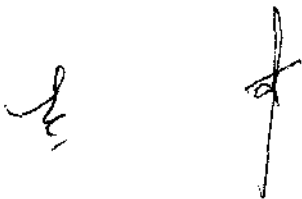


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Following procedure for preparation of Cost Estimates for shifting of existing I&PH utilities shall be adopted diligently by NHAI & I&PH department:

1. The request letter of NHAI, for shifting of existing distribution I&PH utilities shall be accepted at concerned circle office of I&PH department and the same shall be forwarded to the concerned division office for survey and preparation of Cost Estimates within a 5 days.
A joint committee consisting of concerned Project Director of NHAI & concerned Executive Engineer of I&PH department shall carry out joint survey of proposed I&PH utility shifting locations. The Executive Engineer shall inform NHAI authorities about suitable date for carrying out joint survey and the work of joint survey shall be completed within 7 days from receipt of request letter by Executive Engineer of I&PH. Single line diagram showing existing I&PH utilities and proposed shifting shall be prepared in the joint survey.
2. On receipt of application by concerned Divisional Office, joint survey of the site where shifting is to be carried out shall be done by the joint committee constituting of concerned Project Director of NHAI or his representative and concerned Executive Engineer I&PH department or his authorized representative and joint survey report shall be prepared, which will be signed by all the members of the committee. However providing PROW required for shifting of infrastructure shall be sole responsibility of NHAI.....SOP- 1 week.
3. Cost Estimate shall be prepared on the basis of joint survey report using the prevailing cost-data of I&PH department, the mandatory charges applicable for such type of work shall be considered while preparing Cost Estimate. ---SOP- 1 week.
4. The cost estimate prepared shall include single line diagram showing existing I&PH Utilities and proposed shifting of I&PH utilities. The said estimate shall be sent for technical vetting and issuing of demand note for deposit of Mandatory Charges to competent authority. The NHAI shall not deduct any TDS from Mandatory charges. --SOP- 1 week.
5. The following points shall be taken care while preparing cost estimate:
 - a) The estimate shall be prepared as per latest Data Book/SOR/policy circulars of I&PH department and for non-SOR items, market rate taken in the estimate shall be supported by documentary proof such as minimum 3 quotations or latest awarded rate (LAR).
 - b) The mandatory charges i.e. administrative charges/supervision charges @2.5%, and GST on administrative charges/supervision charges shall be taken in the estimate as per I&PH guidelines/policy circulars.
 - c) The items taken in the estimate shall be of same specifications existing on

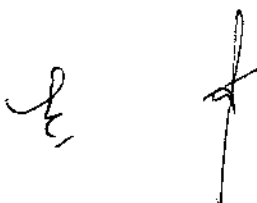
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site before utility shifting. There shall be no up gradation of items of utility shifting unless it is obsolete item as on today. A no up gradation certificate duly signed by the utility owing department shall be submitted in this regard. I&PH department shall be at liberty to make the provision of underground crossing in place of overhead crossing of I&PH utilities where so ever necessary. The NHAI shall provide warranty for the material used for newly erected I&PH infrastructure. The warranty for equipment's etc. shall be minimum for three years.

- d) It shall be ensured that shifting of existing I&PH utilities coming in proposed alignment shall only be taken in the estimate. An essentiality certificate duly signed by the utility owing department shall be submitted in this regard.
- e) The provision of utility duct for crossing of I&PH utilities shall be there in the prepared estimate which ever necessary. Further, the execution of work of laying of ducts/underground utility shall be certified/executed in presence of representative of I&PH Department.

6. Utilization of old material:

- a) Since the assets has to be erected first and then present assets is to be dismantled hence no old material can be reused. The salvage value for reusable material and scrap value for non-reusable material will be provided by I&PH to NHAI in the estimate itself.
 - b) If the existing material is obsolete as on today then new material of standard rating shall be used as per prevailing cost data book/SOR of I&PH.
 - c) NHAI will dismantle existing I&PH utilities and the dismantled material thereof will be deposited in concerned store of I&PH department. The I&PH department will give credit of the dismantled material in the estimate itself only.
 - d) The final decision regarding reuse of old material will be taken by I&PH department and will prevail.
 - e) The dismantled material shall be returned by the contractor of NHAI in the store of I&PH and accordingly the I&PH department shall issue challan/proof in regard of such submission in their stores to the contractor & copy of that challan/proof to NHAI. The store return warrant shall be issued in the name of NHAI (concerned Project Director).
7. The labour cess @1% will be deposited directly by NHAI to concerned labour Department.
8. After payment of mandatory charges on demand note, NHAI shall be allowed to execute the work as per route plan provided by concerned division of I&PH



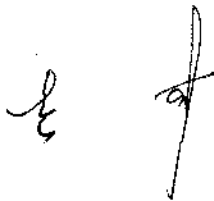
department.

9. The work will be supervised by I&PH department officers during execution for quality and quantity as per guidelines/regulations of I&PH department. The payment of utility shifting to NHAI Contractor will be done by NHAI after the bills/cost abstract of work done is duly verified by concerned official of I&PH department.
10. Efforts should be made to execute the work as per sanctioned estimates. However, in case due to some reason, deviations in the scope of work becomes necessary during the execution of works, the same shall be done after taking approval from the cost estimate sanctioning authority of I&PH department. Further action on the same shall be taken by Competent Authority of NHAI.
11. The above guidelines are applicable for preparing the Cost Estimates for executing the work of I&PH utility shifting coming in alignment of Highway development works by NHAI in the state of Himachal Pradesh.
12. The unconditional and free of cost right of way will be provided by NHAI to I&PH Department for future maintenance work of effected schemes. However the cost of maintenance of effected schemes will be borne by I&PH Department.
13. The pattern of General Abstract of Cost to be followed by I&PH during preparation of I&PH utility shifting estimate is as below:

General Abstract of Cost:

Sr. No.	Name of Charges	Amount (Rs.)
a)	Total cost of material as per latest Cost Data Book/SOR/Policy Circular/Latest Award rate.	
b)	Contingency @3%	
c)	Labour cess @1% oh (a+b).	
d)	GST charges @ 18% on (a+b).	
e)	Administrative/supervision Charger @2.5% on (a)	
f)	GST on administrative/supervision charges @ 18% on (e)	
g)	Credit of dismantled material (-)	
Grand Total (a+b+c+d+e+f-g)		
Amount of works to be done by NHAI Contractor.		(a+b)
Advance mandatory charges to be deposited by NHAI to I&PH on demand note.		(e+f-g)

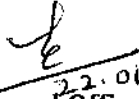
14. The provision of contractors profit @10% and overhead charges @5% has not been incorporated in the estimates prepared by I&PH Department as per para-13. The




same shall be considered by NHAI. Further GST is taken in the estimate @18% for estimation purpose but the payment of GST to NHAI contractor will be paid by NHAI as per actual on submission of proof.

15. Any variation in this Memorandum of Understanding shall be with prior consent of competent authorities of I&PH& NHAI.

On behalf of NHAI


22.01.2020
Regional Officer
Regional office, Shimla, H.P.
National Highway Authority of India

On behalf of I&PH


22/01/2020
Engineer-in-Chief
Irrigation and Public Health Deptt.
Himachal Pradesh, Shimla, H.P.